



*Thorne Moorends
Town Council*

ANNUAL INVESTMENT STRATEGY POLICY

NOVEMBER 2020

INTRODUCTION

Thorne Moorends Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community. This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Minister's Guidance on Local Government Investments and Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes and takes account of the Section 15(1)(a) of the Local Government Act 2003.

INVESTMENT OBJECTIVES

In accordance with Section 15(1) of the 2003 Act, the Council will have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify. The Council's investment priorities are the security of reserves and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. All investments will be made in sterling. The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity. Where external investment managers are used, they will be contractually required to comply with the Strategy.

SPECIFIED INVESTMENTS

Specified Investment are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short term investments made with the UK Government or a local authority or town parish council will automatically be Specified Investments. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use:

- Deposits with banks, building societies, local authorities or other public authorities.

NON-SPECIFIED INVESTMENTS

These investments have greater potential risk – examples include investment in the money market, stocks and shares. Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment.

LIQUIDITY OF INVESTMENTS

The Responsible Finance Officer in consultation with the Council will determine the maximum periods for which funds may prudently be committed so as not to compromise liquidity. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

LONG TERM INVESTMENTS

Long term investments are defined in the Guidance as greater than 36 months. The Council will consider carefully if it is able to consider any long term investments that do not compromise the ability of the Council to access funds as they are required.

END OF YEAR INVESTMENT REPORT

Investment forecasts will be taken account of in the Councils annual budgeting process. The Responsible Finance Officer will produce an investment report to Full Council on an annual basis.

SUMMARY OF MATTERS FOR CONSIDERATION IN ANNUAL INVESTMENT STRATEGY

1. The amount of funds available for investment for the following year.
2. The Investment periods available with each investment vehicle.
3. The security of investments.
4. The return on investments.
5. The period of notice required to access the funds.

REVIEW AND AMENDMENT OF REGULATIONS

This strategy will be reviewed annually. The Annual Strategy for each financial year will be prepared by the Responsible Finance Officer and presented for approval at a Full Council meeting. The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council.

Date of adoption: 10 November 2020